

US firms fund deforestation, abuses in Amazon: report

27 October 2020



Smoke rises from a burnt area of land at the Xingu Indigenous Park, Mato Grosso state, Brazil, in the Amazon basin, on August 6, 2020

Major US financial firms are helping fund environmental destruction and indigenous rights abuses in the Amazon with billions of dollars in investments in questionable companies, according to a report published Tuesday.

Six top firms—BlackRock, Citigroup, JPMorgan Chase, Vanguard, Bank of America and Dimensional Fund Advisors—have invested more than \$18 billion over the past three years in mining, agribusiness and energy companies involved in a "series of abuses" in the world's biggest rainforest, found the report by the environmental group Amazon Watch and the Association of Brazil's Indigenous Peoples (APIB).

"Major financiers... are using their clients' money to enable the wanton behavior of companies linked to indigenous rights violations and the devastation of the Amazon rainforest," said Amazon Watch program director Christian Poirier.

"This financial complicity in destruction contradicts the climate and human rights pledges touted by some of these firms, exposes their investors to significant risk and contributes dramatically to the world's growing biodiversity and climate crises," he said in a statement.

The report investigates the firms' investments in nine Brazilian and multi-national companies accused of abuses in the Amazon, including mining companies Vale and Anglo American, agribusiness companies Cargill and JBS, and energy company Eletronorte.

It accuses those companies of harmful practices including land seizures, violence against indigenous groups, illegal deforestation and the use of harmful pesticides.

It says for example that JBS, the world's biggest meat processing company, sourced cattle from ranches that encroached on Brazil's Uru-Eu-Wau-Wau and Kayabi indigenous reserves.

Mining giant Vale meanwhile faces accusations of contaminating water and failing to comply with its agreements to mitigate the impact of its activities on indigenous lands, says the report.

Such conflicts around land are fueling a surge in violence against indigenous peoples in the Amazon, including an annual increase of 135 percent last year in the number of land invasions and the murder of seven indigenous leaders, it says.

Many of the companies denied the accusations.

Firms including Vale, Anglo American, Cargill and JBS presented evidence they said contradicted the report's findings of abuses.

Financial firms investing in them also denied wrongdoing.

"Deforestation and indigenous rights are critical issues, which also carry risks to investment returns. We engage with companies on these and other ESG (environmental, social and governance) risks, and where they are not being appropriately managed or progress is not sufficient, we (as shareholders) take voting action against management," said a spokesperson for BlackRock.

© 2020 AFP

APA citation: US firms fund deforestation, abuses in Amazon: report (2020, October 27) retrieved 19 September 2021 from <https://phys.org/news/2020-10-firms-fund-deforestation-abuses-amazon.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.